

Our automotive expertise



Maintaining a close, supportive relationship that provides valuable input into your business

driving your profit

Helping you prosper



Our aim is to maintain a close, supportive relationship that provides valuable input into your business.

Our automotive sector expertise

The last two years have clearly been one of the strangest periods of trading for all businesses and this has certainly been the case in the motor retail sector.

Dealers have been forced to contend with not only a global pandemic and various lockdowns, but also a global shortage of semi-conductors and other raw materials, both of which have had a profound impact on the market. Yet despite this backdrop, 2021 was a year like no other with record profits and a surge in transactional activity.

Moving forward, the traditional dealership model looks set to embark on a period of transition over the next ten years, from the evolution of EV to the potential move to agency. Whilst this backdrop creates uncertainty and makes it difficult for businesses to plan, following an exceptionally strong year of cash generation during 2021, we are confident there is a solid platform to build 2022 into another good trading year and we remain positive in our outlook for the industry.

As we enter this defining period for the sector, now more than ever dealerships need advisers with a dedicated knowledge of the industry, who can rapidly understand the issues and provide constructive recommendations to make a real difference to profitability.

We believe our role as a key adviser to the sector is not just to help you with your day to day accounting and business issues, but help you anticipate and overcome the inevitable challenges that the sector will continue to face moving forwards.

'The UHY automotive team have an excellent understanding of the motor sector together with the challenges and issues which motor dealers face.'

Craig Glanville, Group financial director,
Heston Garages Group

Benefit from our dedicated automotive team

Our automotive service offering is led by partners who are totally dedicated to the sector and have considerable experience in the motor industry.

We provide expert advice to dealers on business management from audit and taxation to mergers and acquisitions and operational issues such as CSI and enquiry management. By providing support to our wider national automotive team, we are able to offer a local responsive service combined with deep and wide ranging automotive skills and experience.

With a client base that ranges from the supply chain to large franchise dealership groups, our experience includes dealing with automotive clients from a local and regional perspective, to working with a significant number of the Motor Trader Top 200 franchised dealer groups in the UK.

Working in partnership, our aim is to maintain a close, supportive relationship that provides valuable input into your business.



Our bespoke dealer accounting and audit

We advise on all aspects of running a business in the automotive sector and have helped many clients to make long term and positive changes in their businesses.

Accounting and audit services

With an audit portfolio focused in the automotive sector, we ensure that we always have our finger on the pulse of the current market and the latest innovations and trends, enabling us to provide tangible value and advice over and above the normal audit process.

We see our role as not just to help you with audit issues, but to provide valuable opinion and feedback to help formulate your longer term strategy.

In addition, UHY's position as a larger (Top 15) firm together with our reputation in the sector will provide comfort to both you and your stakeholders (including banks and brands) that an effective audit has been carried out.

Our industry experience means we will give concrete advice on how others are dealing with the issues you are facing and can provide you with an analysis of where things are going well and not so well. In addition to statutory audit compliance, our dealership accounting services include:

- Cashflow modelling and business planning
- FCA regulation support
- Forensic and fraud investigations
- Independent business reviews
- Insolvency and restructuring

Tax services

With the automotive sector being a lowmargin sector, where half a percentage point added to bottom line profitability can have a big impact, we will work with you to ensure the right strategies are put in place in order to minimise your tax burden.

Our experience includes working with dealer clients on mitigating exposure to risks from employment taxes, such as on company cars and company fuel, and negotiating with HMRC on a dealers' behalf to get potential liabilities reduced.

The bespoke tax services we offer to the automotive industry include:

- Capital allowance reviews
- Exit planning and shareholder
- reorganisations
- Group simplification and restructuring
- Remuneration planning and employee
- share schemes
- Tax health checks, commonly VAT and PAYE

Corporate finance support

If your future plans include buying or selling a business, or raising equity or debt finance to facilitate growth, you will need specialist corporate finance support.

Our automotive team includes corporate finance specialists who have advised on over 100 transactions in the sector and who have considerable experience bringing parties together and helping facilitate deals. We will help you to maximise the value of your business by working closely with the manufacturer, as a key stakeholder, to select the right partner.

Our automotive corporate finance services include:

- Confidential targeting exercises
- Funding advice
- M&A and transaction support
- New market entry assignments
- Sponsored dealer programmes
- Strategic advice
- Valuations

"We moved our audit to UHY two years ago now, and have been very impressed with their approach. The audit team are effective, responsive and approachable – they definitely do a very thorough job. Where we have really benefited however, is in the advice that Paul and David have provided in helping us to develop our thinking about maximising value in the longer term."

Craig Glanville, Group financial director, Heston Garages Group

"UHY's advice and knowledge of the automotive sector is unrivalled and set them apart from any other professional firm we met. They offered us a dynamic and comprehensive deal making formula, demonstrated throughout our negotiations and the sale process. I am confident in recommending UHY as their experience in understating what is required to deliver a successful outcome I am sure will be of great interest to other business owners contemplating a sale of their business in the future."

Glen Obee, Chairman, Motorline

Stakeholders support to OEM's and their funding partners

Using our combined operational and financial expertise, we are often engaged by OEM's and their funding partners to carry out bespoke investigative work centred around dealer financial health. These assignments vary in their breadth and scope depending on requirements and typically range from a simple one day review of a dealer's cash management processes through to the performance of a detailed independent business review across all departments of the business. Our dedication to the automotive retail field means wasted time and dealer frustration is avoided given the strength of our existing knowledge.

Services provided include:

- Cash management and working capital reviews
- Short and medium term cashflow forecasting
- Strategic options and business planning assistance
- Independent assessments of the business performance and prospects.

Operational support to dealers

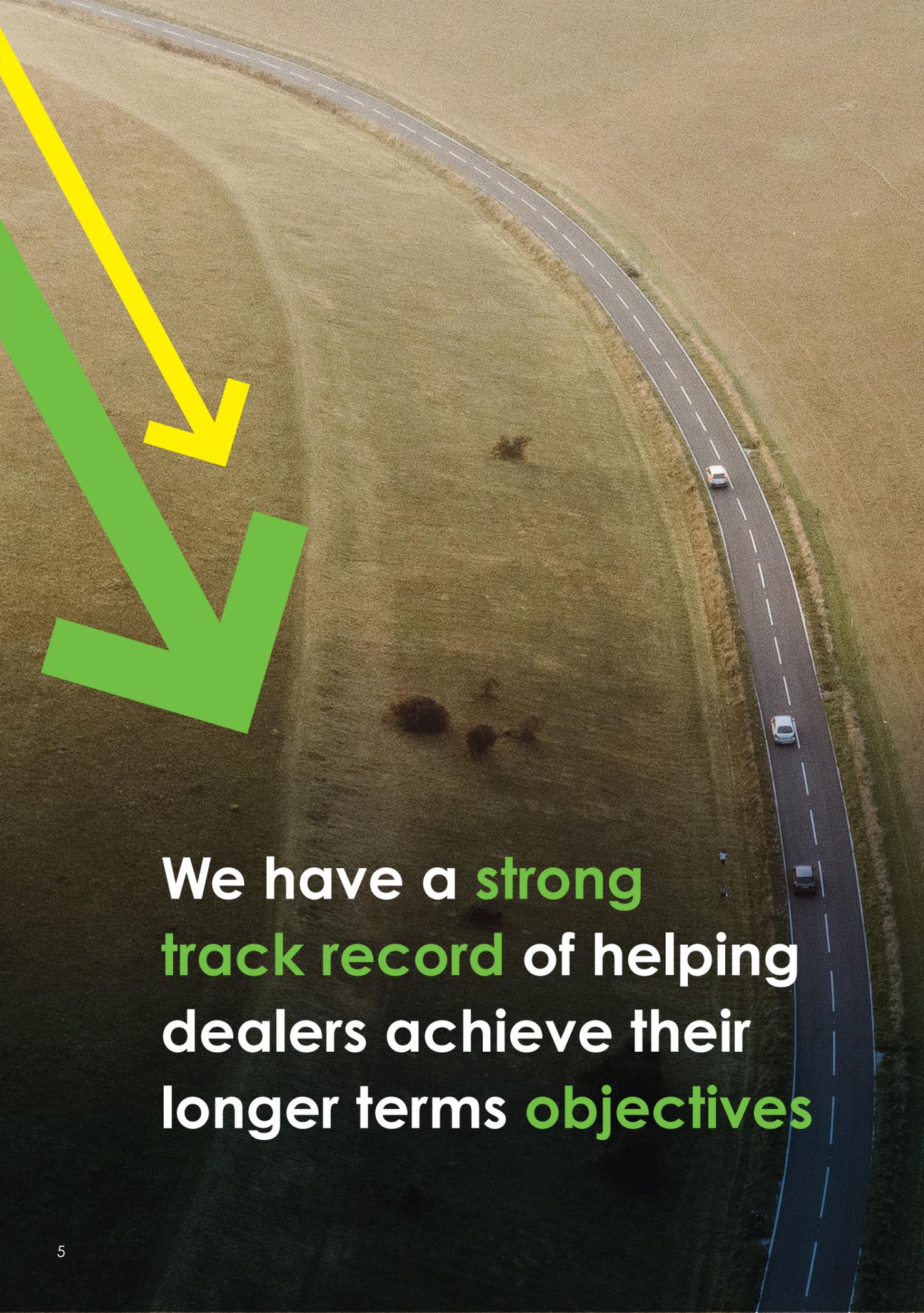
We work in teams combining financial expertise and operational experience to genuinely make a difference. Our collective knowledge means we are able to rapidly understand the issues and provide constructive recommendations to assist you to review operational processes, including:

- Best practice and control reviews
- Customer service
- Enquiry management
- Sales performance and profitability
- 48 hour business healthchecks

Our experience also includes financial and operational consultancy projects across the UK and Europe on behalf of institutional and captive lenders and automotive Original Equipment Manufacturers (OEMs). Our experience means we are able to provide a full support package to ensure that the best solution is obtained for all stakeholders. We are so confident that we can make a positive difference to your business that we will consider success based fee arrangements in relation to some of the operational support services that we provide.

"I have worked with Paul for the last eleven years on numerous independent reviews of dealer groups in the UK and throughout Europe. Paul has a huge amount of sector experience which always proves invaluable. He quickly understands the situation from a commercial as well as financial standpoint. In all independent reviews, Paul has provided practical options and recommendations to stabilise and solve the critical issues. The support from Paul has enabled me and my company to re-think and also support our risk and network strategies. I look forward to continuing working with Paul on future independent reviews and expanding our European engagement with UHY."

Lee Cooper, Manager, Sales, Network and Financing, Mazda Motor Europe



We have a **strong track record** of helping dealers achieve their longer terms **objectives**

Corporate finance activity

We have a particularly strong track record of helping sellers to achieve their longer term objectives and of selecting the right partner to ensure the successful completion of a deal.

Recent highlights include:

Motorline Holdings Limited

Sale of Motorline Holdings Limited to Marshal Motor Group plc

Deal value: £64.5m

Ringways Motor Group

Sale of Ringways Motor Group to D.M. Keith

Deal value: £18M

Springfield Motor Group

Sale of Springfield Motor Group to Sherwoods

Deal value: Undisclosed

Spire Automotive Ltd

Sale of Spire Automotive Ltd with t/o £500m to Group 1 Automotive

Deal value: £68m

Brayley Motor Group

Sale of Brayley Motor Group with t/o of £100m to AW Rostamani

Deal value: Undisclosed

Vertu Motor PLC

Acquisition of six N/E Inchcape BMW businesses with t/o of £300m

Deal Value - £18.7m

Pentagon MH Limited

Sale of Pentagon MH Limited with t/o of £400m to Imperial Holdings SA

Deal value: £28.1m

Warwick Holdings

Sale of Warwick Holdings t/a Drayton Group with t/o of £300m to Lookers plc

Deal value: £55.4m

Beadles Group

Sale of Beadles Group to Group 1 Automotive

Deal value: £55m

Chapelhouse Motor Group

Acquisition of Bolton Car Company by Chapelhouse Motor Group

Deal value: Undisclosed

Jennings Motor Group

Sale of Jennings Motor Group with t/o of £150m to Lookers plc

Deal value: £14.8m

Essex autogroup

Sale of Essex Auto Group with t/o of £150m to Super Group

Deal value: Undisclosed

A dedicated automotive team



Paul Daly
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Paul is an experienced audit partner with a portfolio of clients focused around the automotive sector. In addition, he regularly leads other advisory work spanning transactions, due diligence and business restructuring. Initially working within a 'Big Four' firm, Paul then moved into industry at a FTSE 100 group. This industry experience proved invaluable when he moved back into practice, working for a specialist automotive firm focusing on internal and external audit, control reviews, independent business reviews and transaction support including due diligence. Paul has developed a unique skill set, assisting businesses with control and profitability issues as well as acquisition and disposal strategies. He has a 'hands on' approach and is regularly called upon by manufacturers and top 50 motor retail groups to personally carry out investigative work.



Ian McMahon
Partner
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Ian has over 20 years' experience in the automotive sector and has worked with many brands in the UK, Europe and beyond.

He specialises in due diligence, SME advisory, statutory audit and OEM & network studies. Over the last seven years Ian has been an appointed Responsible Individual for a portfolio of motor trade audit clients.

During this time, he has also developed, implemented and piloted bespoke assurance work projects with dealers and OEM's alike.



David Kendrick
Partner
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David is Corporate Finance (CF) qualified, with over 16 years' experience working closely with key clients and contacts to understand their long term objectives and then assisting with action plans to achieve these. Having advised on over 200 transactions, he has acted as a trusted advisor for numerous listed and privately owned businesses, working closely with them to maximise value on exit, as well as assisting acquisitive companies with their growth plans. David has significant experience in the automotive sector and is known as one of the leading professional advisers in the marketplace. In recent times he has assisted with some high profile automotive transactions and is now head of our national automotive sector group.



Helen Cowley
Partner
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Helen provides tax planning advice to owner-managed businesses, partnerships, trusts and high net worth individuals and has over 16 years' experience in tax.

Her specialities include mixed taxation projects, international tax work, corporation tax planning, employment-related securities and share incentive planning. She also has experience in VAT, including domestic supplies and cross border transactions, as well as sales tax registration requirements in overseas jurisdictions.

Helen has substantial experience in the tax issues faced by large groups and frequently advises on matters such as group reorganisations and simplifications, demergers, transfer pricing and thin capitalisation, and restructuring debt. She also enjoys being involved in transaction taxes on mergers and acquisitions.

The next step

For further information about the services we provide, please contact one of our experts on: 0161 236 6936. Our automotive specialists are supported by UHY's wider national automotive team. For further details please visit our website at: www.uhy-uk.com/automotive.



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Helping you prosper